



UNS Energy Corp.

P.O. Box 711, HQE901
Tucson, Arizona 85702



0000155423

Philip Dion
Senior Vice President, Public
Policy and Customer Solutions

AZ CORP COM (520) 884-3708
DOCKET CONTROL Fax: (520) 545-1519
pdion@tep.com

2014 AUG 19 PM 4:18

August 19, 2014

Bob Stump, Chairman
Arizona Corporation Commission
1200 W. Washington St.
Phoenix, AZ 85007

ORIGINAL

RE: In the matter of the reorganization of UNS Energy Corporation (Docket Nos. E-04230A-14-0011, E-01933A-14-0011)

Dear Chairman Stump:

This letter is to inform the Arizona Corporation Commission ("Commission") and the parties to the above-referenced dockets that on Aug. 15, 2014, the merger transaction addressed in these dockets was completed. Tucson Electric Power ("TEP"), UNS Electric, Inc. ("UNSE") and UNS Gas, Inc. ("UNSG") (collectively, the "Companies") are now part of Fortis' growing international family of regulated utilities.

The Companies appreciate the efforts that the Commission, Commission Staff and other participants in this docket expended to bring this matter before the Commission for consideration last week. The unanimous vote to approve the recommended opinion and order in this matter came just seven months after the filing of our application requesting approval, allowing us to promptly proceed toward delivering the benefits that will result from this transaction to our customers and the communities we serve.

Some of these benefits already have begun to materialize. I am pleased to report that on Aug. 15, Fitch Ratings upgraded TEP's unsecured credit rating to BBB+ from BBB, citing its expectation that Fortis will provide appropriate financial support for the capital expenditures TEP will need to continue providing safe, reliable service to customers. Moody's Investor Service also cited the benefits of the Fortis transaction in announcing that same day that it has changed the ratings outlook for UNS Energy, TEP, UNSG and UNSE from "stable" to "positive." As you may remember, ratings upgrades were among many positive impacts discussed in our testimony.

We also have followed through with our plans to create a new UNS Energy Board of Directors that includes a majority of independent local members. In addition to two Fortis executives, our new 9-member board includes UNS Energy President and CEO David Hutchens and six other longtime Arizona residents who will continue as independent directors from the company's previous board.

We appreciate your timely consideration of this matter and look forward to providing continued benefits to our customers as part of the Fortis family of utilities.

Sincerely,

Philip Dion

Arizona Corporation Commission

DOCKETED

AUG 19 2014

cc: Commissioner Susan Bitter Smith
Commissioner Bob Burns
Commissioner Brenda Burns
Commissioner Gary Pierce
Docket Control
Parties to the Docket

DOCKETED BY